



*The most important characteristics for  
an entrepreneur are the same that  
guide all of life:  
Passion, Integrity  
Courage and Resilience.*

*Ginny  
Pribanic*

**INTENSE**

# *Pittsburgh Made*

And Proud...



# *Entrepreneur*

Serial Entrepreneur

Applying new technologies

To old problems.



**It's a dialogue, not a lecture**

MedRespond

CMU – Based Conversational AI  
Simulates  
Conversations with Patients

# Fit for Surgery Outcomes

Case Study: 50% Cost Reduction

Open heart surgery program delivers unmatched outcomes with leading healthcare systems

**50%**

reduction in 30-day post-discharge costs

**30%**

reduction in 180-day post-discharge costs

**90**

average minutes of engagement per patient

**93-99%**

Improved patient satisfaction scores

Patients report that the Conversational Coach eases their anxiety and provides their families critical guidance to know how to support them



# "This is a game changer"

- Cardiac Chair

## 100% of patients reported improved care experience

Cleveland Clinic valve repair/replacement surgery patients agree that the MedRespond program improved their overall experience of care:

- Strongly agree: 92.86%
- Agree: 7.14%
- Disagree: 0.00%
- Strongly Disagree: 0.00%

Cleveland Clinic Interactive Heart Surgery Program

Introduction

Dr. Gillinov Program Welcome

Welcome

Are you feeling ready for surgery?

Preparing for Surgery

Pre-Surgery Visit Review

Day of Surgery

Recovery in the Hospital

Discharge Readiness Questions

First Week Home

Glossary

A. Marc Gillinov, MD  
Chairman, Thoracic and Cardiovascular Surgery

Enter your question here

Ask

I'm Marc Gillinov, chairman of cardiac surgery at The Cleveland Clinic. I want to welcome you to our interactive heart surgery program. We recognize that heart surgery is an important event in your life. We want to give you and your family and friends all of the information you could possibly need or want before, during, and after your hospitalization. Everyone has questions; sometimes you don't think of every single question during your meeting with the surgeon or your discussions with nurses before surgery. The purpose of this program is to anticipate your questions and provide the answers in a way that is specifically tailored to you. We will tell YOU about YOUR condition with your own heart, what sorts of valve operations or other procedures you might need, which medicines are we using, which medicines are best for you, how long should you continue the medicines, what will recovery look like, what should you do, what shouldn't you do, what's the best diet. We want to answer all these questions in a way that is

For additional help:  
866-289-6911, or go to:  
<http://www.clevelandclinic.org/heartnurse>

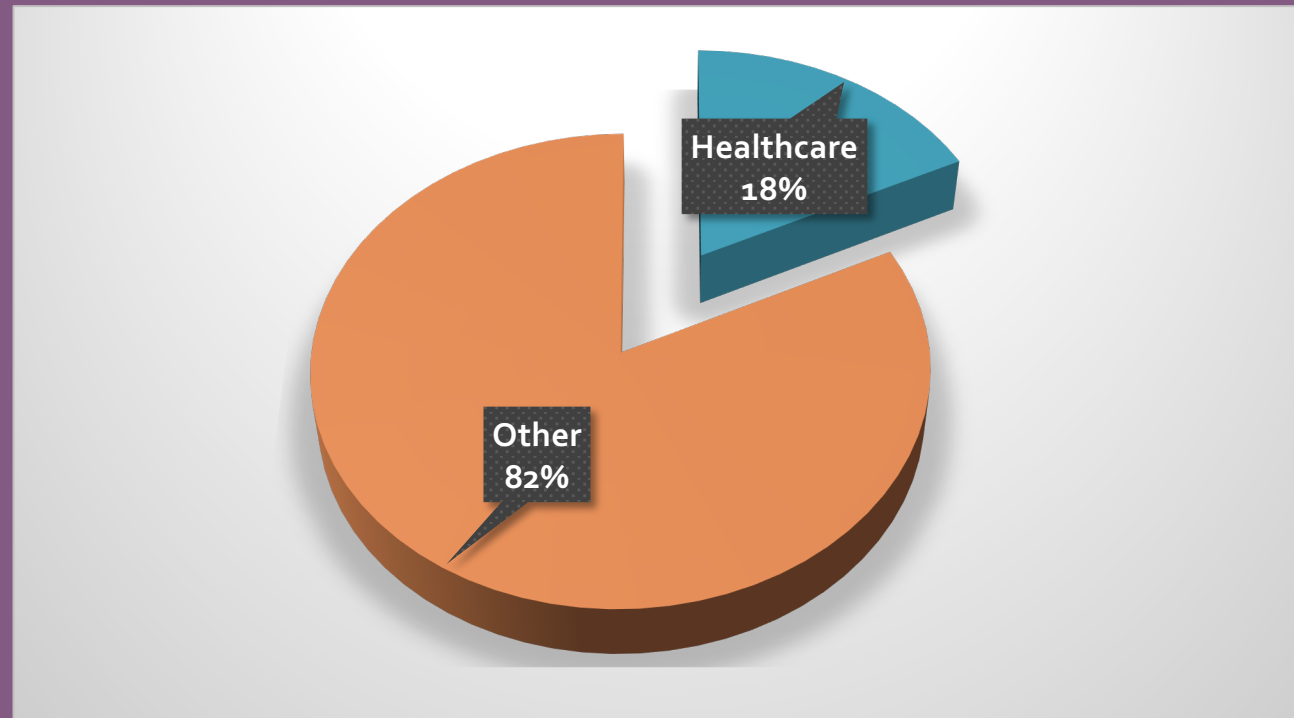
medrespond

So ...

What's the Big Deal About Healthcare?

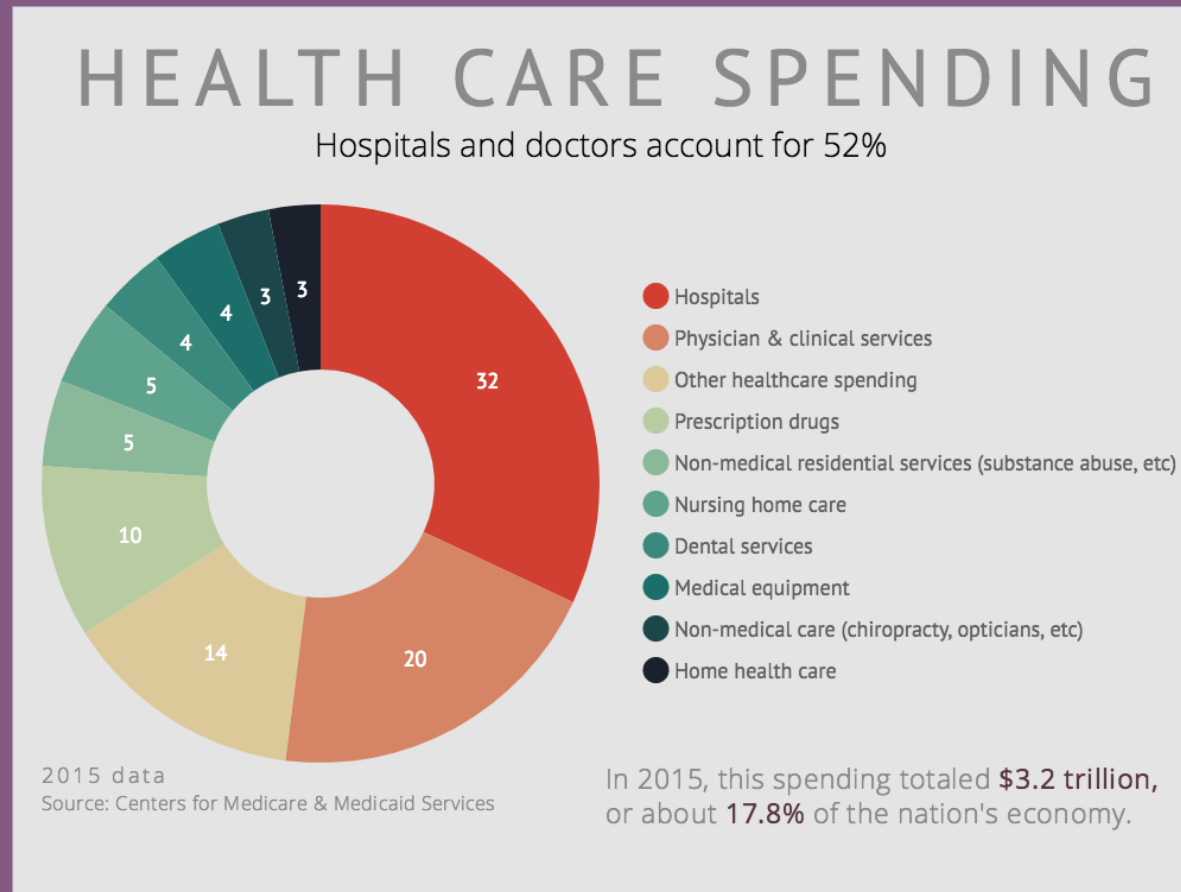
It's REALLY Big!

# 2017: U.S. Health Care Spending Reached \$3.5 Trillion 18% of GDP





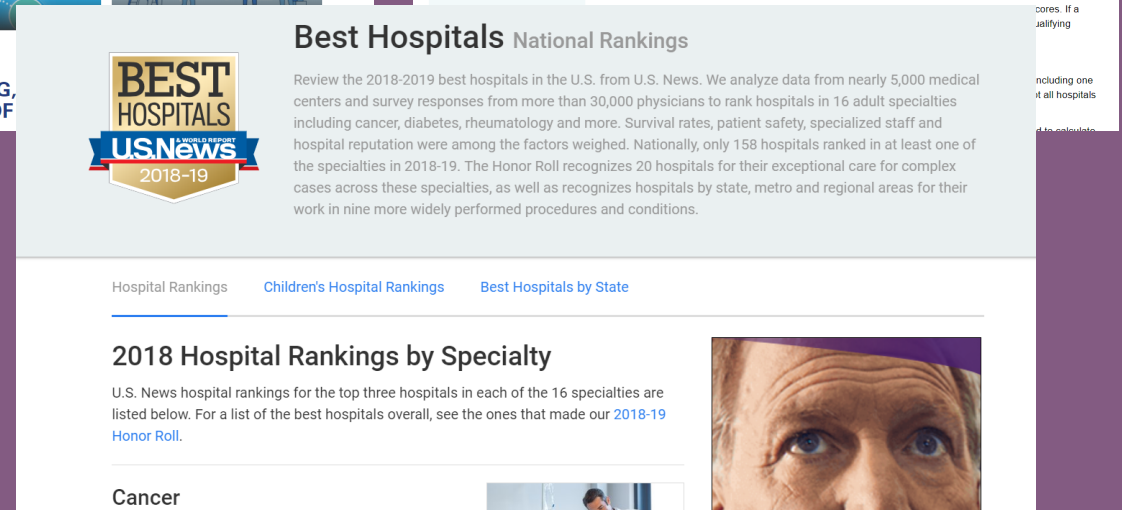
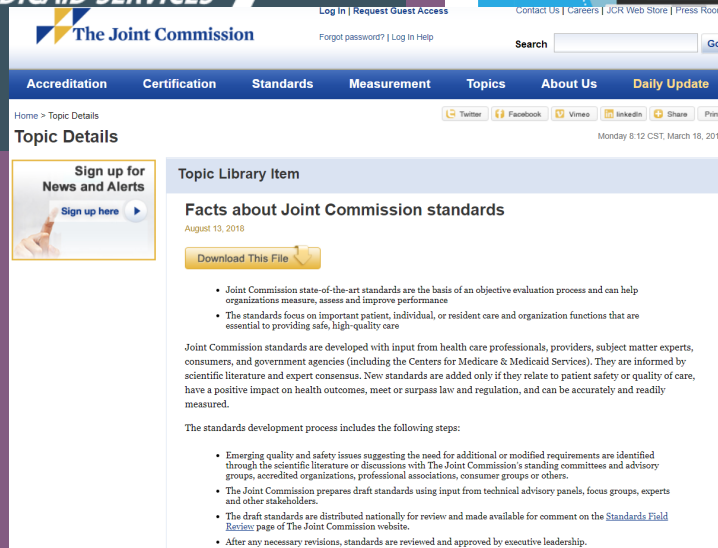
# Two Key Sectors Represent Over Half Of All Spending



# Service Delivery Is Well Understood And Accessible

Total Number of All U.S. Hospitals	6,210
Total Staffed Beds in All U.S. Hospitals	931,203
Total Admissions in All U.S. Hospitals	36,510,207
Total Expenses for All U.S. Hospitals	\$1,060,933,249,000

# Industry Analytics are Plentiful

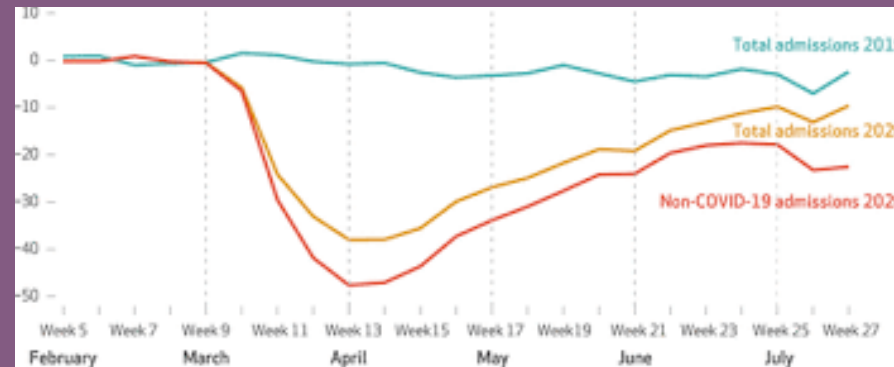


So ...

What's the Problem?

A new one .... COVID-19

# March – June 2020, \$50 B Losses / Month Due to COVID



## 2020 Financial Impact:

**Median Hospital Operating Margin -4.9%**

**With Relief Funds -1.2%**

Note: Median hospital margin is 3.5 %

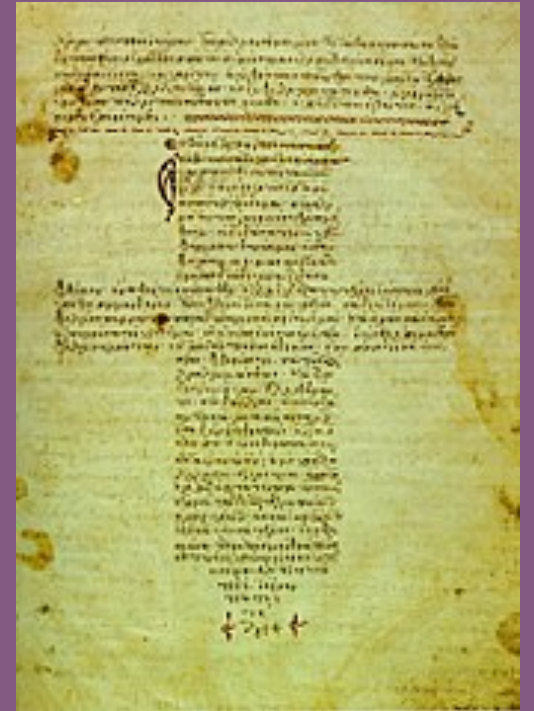
# Healthcare Is:

- I. A Political Football – a privilege or a right?
- II. Responsible for lives
- III. Highly complex
- IV. Highly regulated
- V. Complex and evolving payment models
- VI. Under incredible pressure

# I. Innovation Cannot Jeopardize Lives

1. Improve upon current standard of care
2. Above all – cause no harm
3. Improve efficiency

Key Challenge Is Proving It!



# Challenge Proving It - Lack Of Data

1. Interoperability is still a challenge
2. Electronic health records are rigid
3. Critical data not coded
4. Clinical data separated from claims data
5. Lack of transparency of healthcare costs
6. Lack of defined standards – consistency

Proving Efficacy Is A Challenge!



## II. Hospital Systems are Complex

1. Mergers and acquisitions create complex organizations
2. Several hospitals
3. Hundreds of practices, outpatient centers, labs and clinics
4. System level leadership
5. Hospital level leadership
6. Service line leadership
7. Layer in governing committees, clinical committees, .....

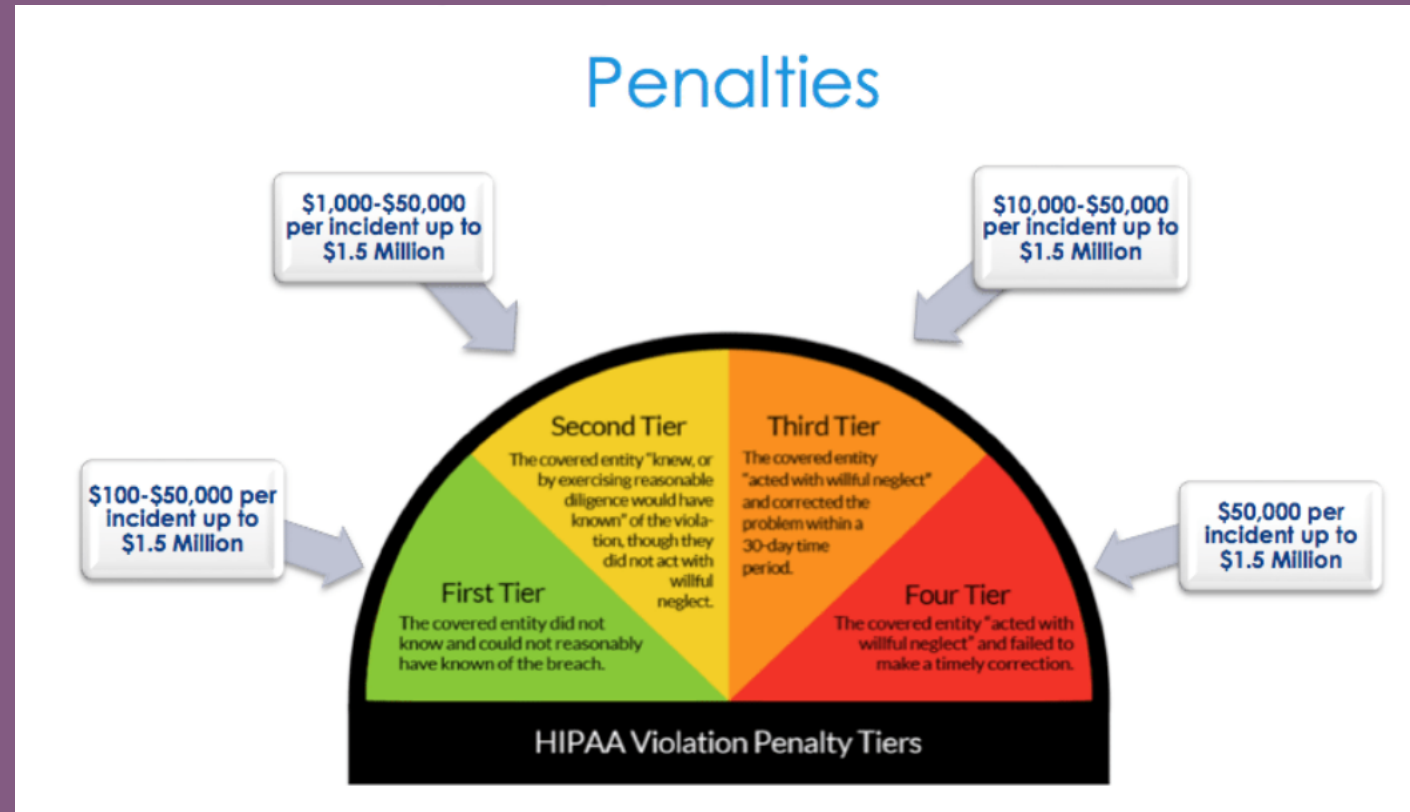
Who Is The Decision Maker And Process?

# III. Healthcare Is Heavily Regulated

1. FDA
2. JAHCO
3. Legal requirements
4. Compliance
5. Internal Review Boards (IRB)
6. Confidentiality and HIPAA
7. Data security

The Scrutiny And Requirements Will Take Time!

# Penalties can be significant – e.g.: HIPAA violations ...



Source: HHS, Federal Register.gov

# Malpractice is Real

NY hospital mandated to pay \$62 million to women who underwent an ectopic pregnancy surgery and ended up in intensive care and suffered three heart attacks. She ended up with skin grafts, a colostomy, and two below-the-knee amputations. The jury found the responsible physician guilty of straying from the required care standards.

In 2010, a NY physician performed a thigh operation on a woman which ended up as a botched surgery. The jury found him guilty of failing to advise his patient on the risks associated with the surgery and using an inappropriate surgical technique, he was ordered to pay \$60 million.

In 2011, a 6-year-old boy was left with cerebral palsy and permanent brain damage after undergoing 25 surgeries in Chicago, Illinois. The boy was born with some health problems that were not life-threatening. It is alleged that the doctor used some unproven techniques to carry out several surgeries. They settled their medical malpractice case for \$30 million in 2016.

## IV. Complex Buying Process

1. Decisions often siloed
2. Many decision makers and levels
3. Many decision influencers
4. Many gate keepers
5. Formularies limit treatment choices

Points To Very Long Sales Cycle!

# Evolving Payment Models

1. Formerly Fee-for-service
2. Evolving to value-based and bundled payments
3. Hybrid is negotiated payments, e.g. liver transplant
4. Who benefits from an innovation can shift

Strategy Must Support The Evolving Landscape!

## V. Providers are incredibly stressed

1. Victims of doing more with less – overloaded
2. Operating under razor-thin margins
3. Innovation is an additional burden
4. Cynical that innovation will help workflow
5. Gaining support of those who will use it

Innovations must be easy to buy, easy to use!

# Personality Can Impede Adoption

1. Great investment in status quo
2. Physician culture – want control
3. Conflicting motivations within teams
4. Not invented here
5. Nobody does it better

All Can Lengthen And/Or Stop Sales Process!

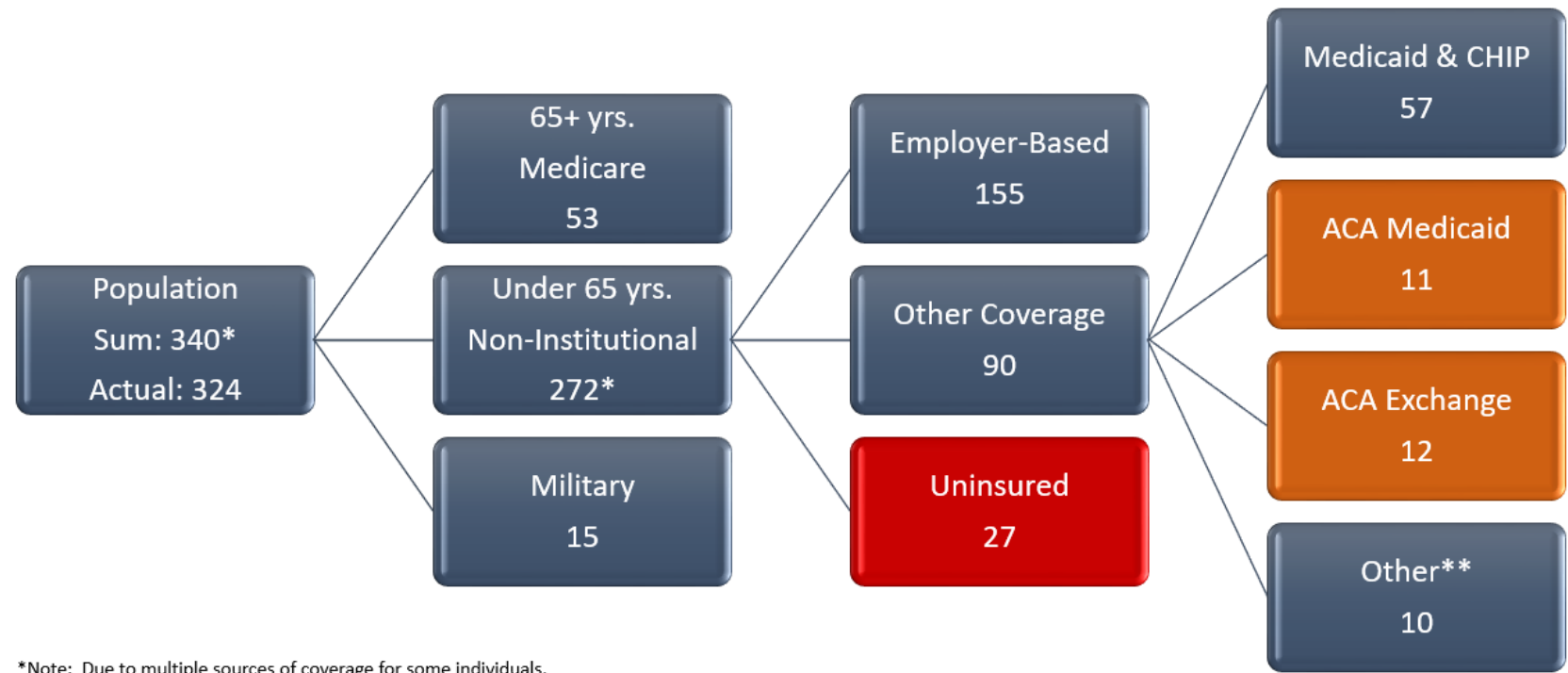


# Complex System of Payments

1. Third party – government or private
2. Insurers must approve innovation and price
3. Insurers may disagree

# Complicated Payor Network

## Sources of Health Insurance Coverage in 2016 (Millions of Persons)



\*Note: Due to multiple sources of coverage for some individuals, there is some double-counting in the components. The actual U.S. population in December 2016 was approximately 324m.  
 \*\*Other: The 10m was reduced to tie to the total for "Other Coverage" of 90m. "Other" includes 23m persons (9m non-ACA marketplaces, 9m disabled in Medicare, 5m other).

Source data:  
 CBO "Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2016 to 2026" (March 2016)  
 Census Bureau "Health Insurance Coverage in the United States: 2015 (September 2016)"

## Healthcare Challenge:

*Address Healthcare Inequality by Impacting the Social Determinants of Health*

Economic Stability	Neighborhood and Physical Environment	Education	Food	Community and Social Context	Health Care System
Employment	Housing	Literacy	Hunger	Social integration	Health coverage
Income	Transportation	Language	Access to healthy options	Support systems	Provider availability
Expenses	Safety	Early childhood education		Community engagement	Provider linguistic and cultural competency
Debt	Parks	Vocational training		Discrimination	Quality of care
Medical bills	Playgrounds	Higher education			
Support	Walkability				

**Health Outcomes**  
Mortality, Morbidity, Life Expectancy, Health Care Expenditures, Health Status, Functional Limitations

## So What Is The Take Away ...

1. Target innovations that improve existing process rather than replace to ease adoption
2. Focus on ease of use
3. Map out workflows for all stake holders
4. Understand the buying process
5. Understand path to scalability early
6. Prepare for long sales cycle – need funds to survive
7. Prepare for low success rates – need deep pipe

Never give up!

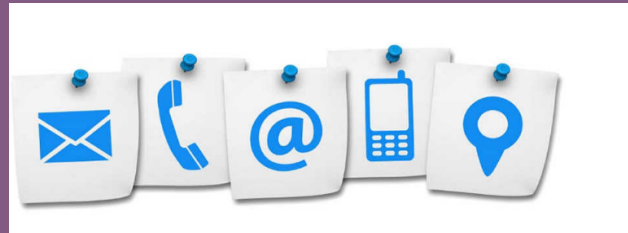
"It's hard to beat a person who  
never gives up."

— Babe Ruth

Major League Baseball Hall of Famer.

# Thank You!

Call if I can help you.



Virginia Flavin Pribanic  
President & CEO  
MedRespond, LLC  
Cell: 412-443-6776  
[virginia.pribanic@medrespond.com](mailto:virginia.pribanic@medrespond.com)

## Why Start Ups Fail

1. No market need 42 percent
2. Lack of cash 29 percent
3. Inappropriate team 23 percent
4. Strong competition 19 percent
5. Pricing and cost issues 18 percent
6. Bad core product 17 percent
7. Lack of a business model 17 percent
8. Bad marketing 14 percent
9. Customer neglect 14 percent
10. Bad timing 13 percent
11. Loss of focus 13 percent
12. Intra-team conflicts 13 percent
13. A pivot gone bad 10 percent
14. Lack of passion 9 percent
15. Bad location 9 percent

- A New Study Reveals the 20 Factors That Predict Startup Failure: Do Any Apply to You?  
[www.entrepreneur.com/article/308447](http://www.entrepreneur.com/article/308447)